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NRO REVIEW COMPLETED

25 June 1958

MEMORANDUM FOR: Director, Advanced Research Projects Agency
Assistant Secretary of the Air Force (R & D)

SUBJECT : Financing of Project CORONA

1. Under date of 15 April 1958, an outline of the above project (COR-0013) was submitted for the approval of higher authority after discussion with you and with Dr. James Killian. As you were advised shortly thereafter, the approval was granted. I was, however, given specific instruction with respect to the financing of this project. I am conveying the substance of this instruction to you at this time because it is relevant to arrangements which I believe are currently under discussion between the Advanced Research Projects Agency and the Air Force.

2. The project outline contained the following estimates and statements with respect to financing:

a. That covert procurement would require [redacted]

[redacted] which would be provided by the Central Intelligence Agency.

b. That first and second stage vehicles for twelve firings would cost [redacted] and that this procurement would be financed "for the most part by ARPA through the Air Force".

3. With respect to the first of these two categories of costs, the CIA has obligated [redacted] and is about to obligate an additional [redacted] to Lockheed Aircraft Corporation. It now appears likely that at least [redacted] will be required for the items to be covertly procured and this will be covered by CIA with FY-1959 funds.

4. The instruction referred to in Paragraph 1 above is relevant to the second category of costs, those of first and second stage vehicles. The

SECRET

- 2 -

instruction itself applied to both covert and overt development and procurement and was to the effect that "all funding for development and hardware must come from: (a) the Central Intelligence Agency and (b) the Advanced Research Projects Agency". The intent of this instruction was that funding for these purposes should not be provided by the Air Force.

5. I am confident that the arrangement which I understand is now contemplated, whereby the Air Force will obligate certain funds for CORONA in advance of reimbursement by ARPA, would be consistent with the foregoing instruction, since this sequence of events has been necessary with a number of ARPA programs. I feel, however, that if ARPA does not intend ultimately to fund vehicles procured for CORONA, this change of plans should receive appropriate clearance.

6. The language quoted in Paragraph 4 above of course leaves open the possibility that this Agency should fund a larger part of the whole CORONA program than contemplated in the project outline. Although this course of action is not precluded on policy grounds, the need for it was not foreseen, because what is now CORONA had been planned and authorized as a part of WS-117L before being split-off as a separate, covert project, and its funding was assumed to be possible from already approved programs. It is recognized that the cost of first and second stage vehicles for CORONA was underestimated and that various ARPA programs including the acceleration of 117L require additional funding. The provision of sizable amounts in addition to those already budgeted would, however, raise serious problems for the CIA. Accordingly, if these developments render impossible the funding of overt procurement for CORONA by ARPA, the financial status of the project should be reviewed by the knowledgeable senior officers of the Department of Defense and this Agency.

(sgd) Richard M. Bissell, Jr.

RICHARD M. BISSELL, JR.
Special Assistant to the Director
for Planning and Development

SA/DP/DCI:RMB: ☐ (6/24/58)

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